HUDCO's non-assistance for loan guarantees to States

1084. SHRI SURENDRA LATH: Will the Minister of HOUSING AND URBAN POVERTY ALLEVIATION be pleased to state:

(a) whether it is a fact that HUDCO assistance is not available to several States, which are unable to stand guarantee for these loans;

(b) if so, the names of those States; and

(c) the steps Government are taking so that, the urban poor in these States do not find themselves at a disadvantage in comparison with other States?

THE MINISTER OF STATE OF THE MINISTRY OF HOUSING AND URBAN POVERTY ALLEVIATION (KUMARI SELJA): (a) to (c) HUDCO provides loan assistance to State Governments, Housing Boards, Development Authorities, Improvement Trusts, Co-operative Societies and various other public sector and private sector organisations for implementation of various types of housing schemes in urban and rural areas. HUDCO loans and advances are required to be fully secured (*i.e.* principal, interest and all other moneys payable under the loan agreement are secured for the entire period of the loan). HUDCO accepts any one of the following securities:

1. Mortgage of properties

2. An unconditional and irrevocable bank guarantee or

3. A Government guarantee

For housing and welfare programmes benefiting the urban poor where recoveries are not envisaged, State Government guarantee is generally preferred by HUDCO. Some of the States from where the Government guarantee is not coming to HUDCO are:— Tamil Nadu, Gujarat, Uttar Pradesh, West Bengal and Kerala. However, in absence of Government guarantee, HUDCO encourages State Governments to provide other forms of securities like mortgage of State Level Agencies' own properties.

Flats and houses at affordable prices for common man

1085. SHRI GIREESH KUMAR SANGHI: Will the Minister of HOUSING AND URBAN POVERTY ALLEVIATION be pleased to state:

(a) the measures Government propose to take to make houses and flats available to the common man at affordable prices all over the country;